



Department of State

TELEGRAM

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ACTION ARA-20

INFO OCT-01 ISO-00 FEA-02 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-03 COME-00 DODE-00 EB-11 FPC-01 H-03 INR-11

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 FRB-03 PA-04

USIA-15 PRS-01 DRG-01 /174 W

042620

R 301945Z JUL 74
 FM AMEMBASSY CARACAS
 TO SECSTATE WASHDC 5038
 INFO AMEMBASSY BEIRUT
 AMEMBASSY JAKARTA
 AMEMBASSY JIDDA
 AMEMBASSY KUWAIT
 AMEMBASSY LAGOS
 AMEMBASSY LIMA
 AMEMBASSY LONDON
 AMEMBASSY MEXICO
 AMEMBASSY PORT OF SPAIN
 AMEMBASSY QUITO
 AMEMBASSY TEHRAN
 AMEMBASSY TRIPOLI
 AMEMBASSY VIENNA
 AMCONSUL DHAHRAN
 USMISSION OECD PARIS

UNCLAS CARACAS 7181

E.O. 11652: N/A

TAGS: ENRG VE

SURJ: PRESIDENT PEREZ SIGNALS OIL REVERSION WITHIN ONE YEAR

1. PRESIDENT PEREZ ANNOUNCED IN A PRESS CONFERENCE ON JULY 29
 THAT QUOTE ONE YEAR WILL NOT PASS BEFORE VENEZUELAN PETROLEUM
 WILL BE TOTALLY IN THE HANDS OF THE VENEZUELAN UNQUOTE. THE

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REMARK WAS MADE IN REPLY TO A QUESTION FROM A MEXICAN REPORTER AT A JOINT PRESS CONFERENCE ON THE LAST DAY OF MEXICAN PRESIDENT ECHEVERRIA'S STATE VISIT TO VENEZUELA.

2. PEREZ SAID FURTHER THAT THE PROCESS (OF OIL REVERSION) IS WELL ADVANCED. LIKEWISE THE QUOTE EXPROPRIATION UNQUOTE OF IRON ORE, VENEZUELA WILL QUOTE NOT ONLY TAKE OVER ENTIRELY THE EXPLOITATION OF IRON ORE, BUT ALL MINERALS UNQUOTE.

3. THIS IS THE POLICY PEREZ SAID HIS GOVERNMENT IS FOLLOWING, QUOTE WITH A HIGH SENSE OF RESPONSIBILITY, WITHOUT VERBAL STRIDENCY, WITH RECOGNITION OF THE NECESSITY OF INTERNATIONAL TECHNICAL HELP, BUT AT THE SAME TIME DEFINING FOR ONCE AND FOR ALL THE SOVEREIGN RIGHT OF VENEZUELA TO MANAGE ITS NATURAL RESOURCES UNQUOTE.

4. HE ALSO WAS REPORTED AS SAYING THAT CUBA HAS TO BE A MARKET FOR FUTURE PURCHASES OF VENEZUELAN OIL BECAUSE IT LIES WITHIN THE COUNTRY'S GEOGRAPHICAL ORBIT.
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